TWENTY-NINTH
ANNUAL REPORT

2002

(Fiscal Year ended June 30th)

The Law
Foundation
of Saskatchewan
Regina, Sask.

THE LAW FOUNDATION

The Law Foundation of Saskatchewan
29th Annual Report for the Year Ended June 30th, 2002
to the Honourable Minister of Justice of Saskatchewan
and to the Law Society of Saskatchewan,
pursuant to Section 79 of The Legal Profession Act,
1990, and Amendments thereto

During its 29 years of operation, the Foundation has received income exceeding $41,800,000 from interest on funds in lawyers' mixed trust accounts and its investments. Except for administration costs and funds held in the Grant Stabilization Reserve and Unallocated Revenue, all of that money has been expended on the Foundation's statutory purposes of legal education, legal research, legal aid, law libraries, and law reform. Most of the funds were spent in Saskatchewan except for projects national in nature and usually supported by other Canadian Law Foundations. Projects of an on-going nature are: Law Society Libraries, Public Legal Education Association, Saskatchewan Legal Education Society, College of Law/Law Foundation of Saskatchewan Endowment Fund, Native Law Centre, Centre for studies in Agriculture, Law and the Environment, University of Saskatchewan, and the Law Foundation of Saskatchewan Legal Aid Endowment Fund Trust.

The interest calculation on trust accounts is based on the prime rate which was at 4½% on the 30th June 2002. The Foundation received income of $1,408,000 from mixed trust accounts in 2001/2002, compared to $3,400,000 in 2000/2001.

Grants authorized and unpaid at the end of the year totalled $2,917,000. The Grant Stabilization Reserve remains at $5,000,000 and the Unallocated Revenue balance at $84,519. The day-to-day operations of the Foundation are handled by the Secretary, Mr. H. Robert Arscott, F.C.A., of Regina.

The Foundation authorized the following grants for the year ended 30th June 2002:

Law Society Libraries - annual		$ 629,000
Public Legal Education Association - annual		429,483
Saskatchewan Legal Aid - Service Standards Implementation		140,000
SKLESI - annual		90,807
College of Law Endowment Fund - annual		75,000
Native Law Centre - annual		62,170
Law Reform Commission - annual		55,000
Elizabeth Fry Society - Native Court Worker - annual		38,000
Modernization of Saskatchewan Money Judgement Enforcement Law		24,900
Saskatoon Community Mediation - Training	$20,000	
- Professional Development	1,800	21,800
Estey Centre - Study of the Beef Industry		20,000
Law Foundation of Saskatchewan Legal Aid Endowment Fund Trust – additional		20,000
Saskatchewan Elocution & Debate		18,000
Association of Family Law		16,050
Trial Courts of the Future - Conference		15,000
Saskatoon Sexual Assault & Info. Centre		14,000
Court of Queen's Bench - Practice Manual		12,000
CBA - Law Day 2001 and 2002		5,106
Mediation Placement for Law Student		900
		$1,687,216

Financial Highlights

	2002	2001	2000	1999	1998
Revenue from all sources	$1,834,156	$3,806,498	$3,258,917	$2,571,080	$1,655,947
Grants authorized	1,687,216	3,823,050	1,894,452	1,504,436	1,457,203
Administrative expenses	150,915	156,310	124,186	125,957	107,083
Grant stabilization reserve	$5,000,000	$5,000,000	$5,000,000	$3,965,000	$3,025,000

The Grant Stabilization Reserve allows the Foundation to continue funding its major core grants of approximately $1,340,000 annually without major reductions. The Reserve protects core projects and allows for their orderly management during times of reduced income to the Foundation.

Meetings of the Foundation

The Foundation members meet regularly on a quarterly basis throughout the year. Two members attended the annual meeting of the Canadian Association of Law Foundations held in conjunction with the Canadian Bar Association annual meeting in London, Ontario, in August 2002. At the annual meeting, the Canadian Foundations discuss projects of a national nature and other matters of mutual interest. Representatives of the Saskatchewan Law Foundation continually emphasize the national importance of the Native Law Centre at the University of Saskatchewan and request the continued support of the Canadian Foundations for this worthy project.

The Foundation hosted the annual meeting of the Canadian Association of Law Foundations held in Saskatoon in August 2001.

The Foundation, under the direction of Alma Wiebe, Q.C., completed a comprehensive review of its current policies and grant criteria and revised, deleted and added to its policies. In doing so, the Foundation spent a significant amount of time considering its past, current and future direction in light of its legislated mandate. The policy review is now completed.

The Law Foundation Web Site (www.lawfoundation.sk.ca) was operative in January 2002 with a large number of "hits" for the six month period.

The present members of the Foundation are: Mr. Harry Dahlem, Q.C. (Chairperson), Mr. John Stamatinos, Q.C., (Vice-Chairperson), Mr. Gordon Wicijowski, L.L.D, F.C.A. (Treasurer), Dean Dan Ish, Mr. Rod Crook, Ms. Alma Wiebe, Q.C., Mr. Randy Baker, Q.C., and Mr. Robert Arscott, F.C.A. (Secretary). During the year, Ms. A. Phillips, Dean Beth Bilson, and Mr. John Whyte retired from the Foundation. Mr. Randy Baker was appointed effective the 1st January 2002.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated at Regina, Saskatchewan, this 22nd day of Oct. A.D. 2002.

Mr. Harry Dahlem, Q.C.
Chairperson

Financial Statements of

LAW FOUNDATION

30th June 2002

Deloitte & Touche LLP
900-2103 11th Ave
Regina SK S4P 3Z8

Tel: (306) 525 1600
Fax: (306) 757 4753
www.deloitte.ca

Deloitte & Touche

AUDITORS' REPORT

To the Members of the
Law Foundation

We have audited the balance sheet of the Law Foundation as at June 30, 2002, and the statements of revenue, expenditures, grants and unallocated revenue for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2002 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Regina, Saskatchewan

September 27, 2002

LAW FOUNDATION

(Established Under the Legal Profession Act of Saskatchewan)

BALANCE SHEET
30th JUNE 2002

	2002	2001
ASSETS		
Cash	$ 5,200	$ 108,430
Interest receivable from solicitors' trust accounts	112,603	264,579
Investments - cost (Note "2")	7,613,199	7,636,625
Accrued interest on investments	279,927	304,020
Due from RBC Dominion Securities	4,656	123,655
	$8,015,585	$8,437,309
LIABILITIES, RESERVE AND UNALLOCATED REVENUE		
Accounts payable	$ 14,000	$ -0-
Grants payable	2,917,066	3,375,840
Grant stabilization reserve (Note "1")	5,000,000	5,000,000
Unallocated revenue	84,519	61,469
	$8,015,585	$8,437,309

On behalf of the Foundation:

_____ Chairperson

_____ Treasurer

"See Accompanying Notes"

LAW FOUNDATION

STATEMENT OF REVENUE, EXPENDITURES, GRANTS AND UNALLOCATED REVENUE
30th JUNE 2002

		2002		2001
REVENUE:				
Interest from lawyer's mixed trust accounts		$1,407,731		$3,392,303
Interest earned on investments		426,425		414,195
		1,834,156		3,806,498
EXPENDITURES:				
- Administrative				
Foundation members				
- per diem	$ 21,600		$ 37,400	
- meetings				
- regular	8,720		9,614	
- special	8,990		6,957	
Office, postage, stationery, telephone	29,858		24,105	
Office of the Secretary	77,792		74,392	
Professional fees	3,955		3,842	
		150,915		156,310
EXCESS OF REVENUE OVER EXPENDITURES		1,683,241		3,650,188
GRANTS AUTHORIZED IN THE YEAR - Schedule "1" (Note "1")		(1,687,216)		(3,823,050)
GRANTS RECOVERED		27,025		22,366
EXCESS OF REVENUE OVER EXPENDITURES AND GRANTS FOR THE YEAR (2001 EXCESS OF EXPENDITURES AND GRANTS)		23,050		(150,496)
UNALLOCATED REVENUE, BEGINNING OF YEAR		61,469		211,965
UNALLOCATED REVENUE, END OF YEAR		$ 84,519		$ 61,469

"See Accompanying Notes"

LAW FOUNDATION

(Established Under the Legal Profession Act of Saskatchewan)

Grants Authorized
30th June 2002 — **Schedule "1"**

Law Society Libraries - annual		$ 629,000
Public Legal Education Association - annual		429,483
Saskatchewan Legal Aid - Service Standards Implementation		140,000
SKLESI - annual		90,807
Law Foundation Endowment Fund - College of Law - annual		75,000
Native Law Centre - annual		62,170
Law Reform Commission - annual		55,000
Elizabeth Fry Society - Native Court Worker - annual		38,000
Modernization of Saskatchewan Money Judgement Enforcement Law		24,900
Saskatoon Community Mediation - Training	$20,000	
- Professional Development	1,800	21,800
Estey Centre - Study of the Beef Industry		20,000
Law Foundation of Saskatchewan Legal Aid Endowment Fund Trust - additional		20,000
Saskatchewan Elocution & Debate		18,000
Association of Family Law		16,050
Trial Courts of the Future - Conference		15,000
Saskatoon Sexual Assault & Info. Centre		14,000
Court of Queen's Bench - Practice Manual		12,000
CBA - Law Day 2001 and 2002		5,106
Mediation Placement for Law Student		900
Total		$1,687,216

"See Accompanying Notes"

LAW FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
30th JUNE 2002

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and reflect the following policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles required management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates.

Interest

Interest income is recorded as earned and results from client trust accounts of the members of the Law Society of Saskatchewan.

Grants

Grants are expensed at the time they are authorized by the Foundation.

Grant Stabilization Reserve

The Reserve is to provide protection for continuing grants in the event of future revenue reductions.

2. LONG TERM INVESTMENTS

	2002		2001	
	Market	Cost	Market	Cost
Treasury bills	$ 1,059,511	$ 1,059,511	$ 192,342	$ 192,342
Debentures	409,584	401,100	399,351	401,100
Guaranteed investment certificates	1,199,999	1,199,999	1,350,000	1,350,000
Medium term notes	1,718,261	1,642,934	2,122,069	2,091,584
Bonds	3,435,641	3,159,656	3,662,254	3,451,599
Business Development Bank of Canada NASDAQ-100 index	143,250	150,000	150,750	150,000
	$ 7,966,247	$ 7,613,199	$ 7,876,766	$ 7,636,625

Long term investments are recorded at cost. It is the Foundation's policy to hold all investments to maturity.